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In examining the correlation between the manner in which we conduct business and the principles to which we personally ascribe, it is undeniable that we are inextricably impacted by our respective familial upbringings, social environments and academic influences. Echoing this observation, noted ethicist and educator Dr. Robert Rue emphasizes that: "Values are the essence of who we are as human beings. Our values get us out of bed every morning, help us select the work we do, the company we keep, the relationships we build, and ultimately, the groups and organizations that we lead. Our values influence every decision and move we make, even to the point of how we choose to make our decisions (Rue, 2001, p. 12)."

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Values-Based Leadership: How Our Personal Values Impact the Workplace

The Earmarks of Ethical Leadership

Because values play such an important role in our lives, being able to recognize, understand and articulate one's own values set becomes critical in sound decision-making. Additionally, the ability to identify an employer's corporate values will assist in determining an employee's job performance and allegiance. Consequently, when an individual discovers genuine and meaningful alignment between his or her own personal values with those of his or her employer, a powerful connection is created. This connection creates numerous possibilities for both individual growth and company productivity, manifested in myriad ways.

(a) Loyalty and Respect:

The fusion of personal values with a company's expressed work ethic may result in the development of greater employee loyalty and respect for the organization. In today's world, attrition from the workplace has become increasingly problematic. The need to generate employee enthusiasm and dedication to product produced or service rendered is of utmost concern to retain the employee and infuse passion in those services delivered by the employer. There has been a long held maxim that if an employee truly believes in the work that he or she performs for an employer, that employee will be invigorated to create a necessary, safe and beneficial service or product with pride, dedication and respect to purpose.

(b) History of Fair Dealing:

Prior to accepting employment with a new employer, a certain amount of due diligence is customarily performed: has and will this company emphasize worker appreciation and contribution? Does the organization have a sound historical record in manufacturing a product or providing a service that provides both desired and necessary assistance to the customer? Will the employee's expectations of fair play and equitable treatment be upheld? Will public image be portrayed in conformance with the actual operations of the business? And will all of the company's goals be accomplished in a manner to balance the realistic interests of the company's stakeholders and the consuming public as well as remaining in congruence with growing environmental concerns and widespread calls to conserve resources? Companies need to be able and ready to address questions like these with potential hires in order to ensure the right fit from both the individual and corporation's perspective.

(c) Building Trust:

It is imperative, especially in the wake of new legislation enacted to curtail the level of reported corruption and to demand individual accountability (e.g., new financial accounting standards required under Sarbanes-Oxley¹), to operate a company in a genuine manner that infuses trust into many business-oriented relationships: (1) management and labor concerns; (2) shareholder and public expectations; (3) desired product and environmental preservation; and (4) corporate practices and government scrutiny. While it is unfortunate that the unethical practices of a number of companies have served as the impetus for the passage of new legislation to demand accountability, perhaps such happenings have also served as a catalyst for the individual organization to switch to a model of values-based decision-making over myopically pursuing the "bottom line." Scandals such as Enron, Arthur Anderson, World Com and Tyco have eroded this trust and the truly values-based leader must be the impetus to restore reliability.

(d) Basing Decisions on Values Rather Than Beliefs:

Well-known values and culture consultant Richard Barrett notes, "When a situation arises that we have to deal with, there are three different ways we can arrive at a decision on what to do: we can use our *beliefs* to formulate a response, we can use our *values* to formulate our response, or we can use our *intuition* to formulate a response." (Barrett, 2005, p.1). Barrett continues to explain that if you use beliefs to make decisions, those decisions will reflect your past history in dealing with similar situations. Past history is always experienced and context-based, and beliefs are not equipped to handle complex new situations that have not been experienced previously. Beliefs are steeped in our past histories, habits and traditions, and are thus constrained by individual experiences and not as adaptable to new situations. Alternatively, if you use values to make decisions, those decisions will align with the future you want to experience. Values transcend both contexts and experiences. Therefore, they can be used for making tough decisions in complex situations that have not yet been experienced. As a result, values provide a more flexible mode of decision-making than beliefs.

(e) Gain Team Member and Customer Commitment:

When an organization and its team members unite around a shared set of values, they become more flexible, less hierarchical, less bureaucratic, and they develop an enhanced capacity for collective action. When employees not only share similar values – but also a similar vision – the performance of a company is enhanced. Shared values build trust. Trust is the foundation on which relationships are established, both with team members and customers alike. Values-based leadership is a way of making authentic decisions that build the trust and commitment of employees and customers.

(f) Stimulate Vision and Inspire Others:

As a leader, your job is to create a vision and to inspire others to make that vision a reality. In order to get employees passionate about what they are doing, leaders have to possess great energy so that they can spark excitement and achieve results. While this may seem counterintuitive, a great leader sometimes needs to focus less on the numbers, and more on the values of building a team, sharing ideas and exciting others. Successfully operating as a values-based leader benefits your team, your organization and yourself. According to Peter Ernest, CEO of Values Journey, “when a truly values-based leader ensures that his organisation has an engaging process for the people to explore their personal values, as well as their teams’ and the organizations’ values, there are benefits on many levels:

- Personal: Self-understanding, insight and awareness of life priorities and the gap between one’s current and desired values, that drive behaviour;
- Team: Bonding, appreciation of differences, improved relationships, clarity of team purpose;
- Organizational: Revitalized corporate culture, alignment, commitment and passion for the organizations values and a deeper sense of meaning; and
- Customers: A more authentic customer experience, a sense of trust, loyalty, an emotional connection with the people and the organisation/brand.”

Defining Values-Based Leadership

Values-based leadership connotes a plethora of different meanings, but based upon my experience in the corporate world, the concept is primarily defined as leading by example, that is, doing the right thing for the right reasons and not compromising core principles. A leader who embraces this type of thinking can become very successful in fostering strategic vision and gaining the support and partnership of other potential business partners.

Steve Jobs, CEO of Apple Computer, Inc., once remarked, “The only thing that works is management by values. Find people who are competent and really bright, but more importantly, people who care exactly about the same thing you care about.” (Koteinikov *quoting* Jobs, 2008). This statement has been personally influential and I have embodied its clear meaning in a saying that I keep at the forefront of my

thinking: *engage people's hearts as well as their heads*. While this form of motivation appears idealistic and theoretical, the question inevitably arises as to whether values-based leadership really exists in actual corporate practice.

Considering media headlines over the last several years, it certainly appears that a number of business leaders have compromised their own value systems in order to generate a profit and line their pockets to the detriment of the consumer, the employee, and the shareholder. This trend has left many of us occupying positions of corporate leadership to wonder what has happened to adhering to sound business practices and championing good old-fashioned ethics and moral behavior. Fortunately, through personal experience as a corporate official in a top-ranking financial institution, I am able to state with steadfast conviction that ethical decision-making is still alive and well in much of corporate America, with many companies having re-focused their existence around a common vision statement supported by solid values. Values such as giving back to the community, showing respect and care for the environment and many others have made their way back into corporate America.

I have been auspiciously rewarded with a career working for Wells Fargo, a Fortune 500 company ranked 46/500 and 4/20 as a national commercial bank, boasting revenues of \$40,407.0 million (CNNMoney, 2006). Wells Fargo is a financial institution that has not only unambiguously set forth its vision and values, but has imparted these working principles to its team members. To demonstrate how one company chooses to operate in this manner, Wells Fargo has provided an exemplary model of principled business leadership by outlining the company's core values in its Corporate Governance Guidelines as follows:

- **Ethics:** Maintain the highest standards with customers, team members, stockholders and our communities:
 - (a) Value and reward open, honest, two-way communication.
 - (b) Be accountable for, and proud of, your conduct and your decisions.
 - (c) Only make promises you intend to keep – do what you say you'll do.
 - (d) If things change, let people know.
 - i. Avoid any actual or perceived conflict of interest.
 - ii. Comply with the letter and the spirit of the law.
- **Customer Satisfaction:** Consider the customer in all we do:
 - (a) Exceed the expectations of internal and external customers – surprise and delight them.
 - i. Do what's right for the customer.
 - ii. Talk and act with the customer in mind.
 - iii. Build long-term customer relationships.
 - iv. Treat customers with care.
- **Leadership and Personal Accountability:** Every team member who contributes to the company's success should:
 - (a) Take prudent risks.

- (b) Lead by example.
 - (c) Make decisions locally, close to the customer.
 - (d) Know your numbers.
 - (e) Consider customers, shareholders, team members and community needs when formulating decisions.
 - (f) Care about each other.
- **Diversity:** Respect differences among team members, customers and individual communities:
 - (a) Earn mutual trust by supporting our corporate values for promoting diversity in both the workforce and the company base.
 - (b) Take advantage of and learn from different perspectives presented.
 - (c) Support the diversity of team members, customers and communities.
 - (d) Leverage diversity as a competitive advantage.

Wells Fargo has been repeatedly ranked as a top-10 corporate citizen by *Business Ethics* magazine. “Long before current discussion about corporate governance and corporate responsibility, values such as honesty, trust and integrity were part of Wells Fargo’s vision and values and our corporate culture,” remarked Wells Fargo Chairman and Former CEO, Dick Kovacevich. “We’re proud to be recognized by *Business Ethics* for our leadership in corporate community investment, human rights, diversity, and our commitment to serving all of our stakeholders to the highest standard of integrity (www.wellsfargo.com).”

The Importance of Maintaining Values-Based Leadership

In examining Wells Fargo’s stated values, many may resonate well with your own business activities. Based upon my leadership experiences in the corporate world, I feel extremely fortunate working for an organization that has really taken the time to express what it thinks is meaningful, how its team members should be operating, and how the company as a whole wishes to be viewed both internally and externally. These statements are not empty words, but represent active coordinates in maintaining a healthy business atmosphere. As a result, I have become a loyal team member who feels a close connection and alignment with my employer. I am more passionate about the work I do. I am more driven to achieve results. I care more about how my work impacts those around me in the workplace and in the community. There is no lure or incentive to seek employment with a competing organization. Moreover, I have found that the values of my employer fit neatly into the realm of my own established principles, ultimately allowing me to be more effective and successful in the workplace. I wholeheartedly adopt and emphasize my sentiment that *shared values build trust, which builds the commitment of employees and customers*.

In congruity with experiences other leaders have shared, I have come to realize something very important about the impact that values-based decision-making can have in the workplace. Whether consciously or unintentionally, an individual’s personal values may work to impact others profoundly, influencing their actions, feelings and work habits. Upon realizing the importance of this cause and effect

analysis, a business leader can undeniably benefit by exercising his or her personal values to develop vision and inspire others to achieve substantial and even life-changing accomplishments. This theory has not only been borne out through personal experience, but is incorporated in the statement made by William C. Weldon, Chairman and CEO of Johnson and Johnson: "It is essential that we have a culture of values-based leaders with integrity and passion to set a vision, to inspire their organizations to align around that vision and to nurture greatness in those around them." (Weldon, 2007).

Challenges Faced in the Workplace

Within the work environment, an individual employee may encounter managers who possess principles and values that seem substantively divergent. These differences may initially present a challenge and even create a potential conflict in continuing the working relationship. In some workplace scenarios, these differences, whether real or perceived, may detrimentally impact the employee, depending on whether or not the manager has the ability to recognize and respect the employee's differences. Management instability arises when a manager demonstrates no tolerance for diversity.

Providing a personal example, I encountered such a challenge at a former place of employment. My manager at that time was undeniably a workaholic. His main business philosophy was to win new business without consideration of potentially adverse consequences, often operating without a sense of integrity. As a result, this particular manager overlooked what was important to both his employees and customers. Employees felt they were solely judged by how many hours they worked and how much time they spent entertaining clients and/or possible business prospects. These employees even acted competitively towards one another instead of partnering their resources and functioning as a team to support the greater welfare of the company. Without direct feedback from clientele, I can only imagine how some of the company's customers might have felt and reacted to such myopic and aggressive tactics. The fact that many relocated their business accounts elsewhere after short periods of time was probably a pretty good indicator that sufficient trust had not been established.

This type of environment presented a seemingly insurmountable dilemma for me as I firmly believe that the needs of the customer should be of highest priority, that one should reflect and constantly improve the quality of one's work and further strive to partner and collaborate with other team members within the organization.

Ultimately, I left this position and no longer had to compromise my values with those of my previous manager. I had arrived at the conclusion that I could not operate in an environment where the company's objectives were nebulous and where greed appeared to be the sole motivating factor driving the course of that company's business decision-making process. I did not want to be held accountable to a manager's standards that were so markedly divergent from my own.

The Business Leader's Role in Promoting Values-Based Leadership

As business leaders strive to accomplish great achievements in our global economy, it is important to always remember that values endure. They are absolute, unchanging and non-negotiable. In a world where change can be bewildering, values offer touchstones defining our actions, our decisions and the manner in which we treat others. They connect with the most powerful forces dictating our actions: conscientiousness, integrity, and self-respect. These factors represent the fundamental underpinnings which shape our capacity to lead. As business leaders, we are sometimes tempted to compromise these basic truths, dodging, ignoring or compromising our principles, however ultimately, we return to these simple truths.

If you hold firm the values that have been instilled deeply within your moral fiber and dictate your very existence, your life's path may not be an easy one and your decisions may often place you outside of your normal comfort zone, however, I firmly believe that as long as you make the choices and decisions you believe to be right – your principles will be preserved and your decisions will generate respect from others and preserve self-worth and integrity.

Endnotes

¹ Passed as Pub. L. No. 107-204, 116 Stat. 745, and also known as the "Public Company Accounting Reform and Investor Protection Act of 2002."

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Author Biography

Katherine W. Dean, MST, CFP, CIMA, received her undergraduate degree in Business Administration from Valparaiso University, Valparaiso, Indiana, Urschel School of Business, in 1996 and pursued her Masters of Science in Taxation degree from Golden Gate University, San Francisco, California in 2003. Ms. Dean has extensive experience in financial and tax planning, first working for several boutique investment and financial planning firms. She later served as Assistant Vice President and Relationship Coordinator for Merrill Lynch, San Francisco, California from February of 2000 through August, 2001, where she produced individually tailored financial plans for high net worth individuals and executives and additionally supervised work in progress and plan production timelines.

Ms. Dean was named Vice President and Financial Advisor for The Graves/Dean Group of Merrill Lynch in Oakland, California in June 2002 and remained in this position until 2004. During this time period, she managed relationships with high net worth families and facilitated the implementation of individual master wealth strategies, incorporating tax and cash flow analysis, tax preparation, risk management and insurance analysis, investment management options, asset acquisition assistance and general planning for wealth planning geared towards both protecting lifetime objectives and meeting community needs.

Currently, Ms. Dean is Senior Vice President and National Director for the Wealth Planning Center within Wells Fargo's Wealth Management Group, San Francisco, California. Her job duties entail producing, reviewing and presenting customized wealth plans, serving as advocate for The Wealth Planning Center through public speaking functions, developing business initiatives and providing the necessary training to foster the growth of new regional markets. As a Wells Fargo senior official, Ms. Dean is additionally recognized as an expert in the dual fields of asset allocation and executive benefits.

Ms. Dean is licensed as a Certified Financial Planner (CFP), a Certified Investment Management Analyst (CIMA) – Wharton, a licensed Mutual Fund Counselor (CMFC), and has obtained Series 7, Series 65 and insurance agent licenses. She maintains membership status with the Financial Planning Association (FPA), the San Francisco Society of the FPA and the Investment Management Consultants Association.
